



September 2006

WHITMAN COUNTY FSA NEWS

Whitman County FSA

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Office Hours

Monday – Friday
8:00 AM – 4:30 PM

County Committee

Gracie Miller, Chair
Larry Schroetlin, V-Chair
Greg Hall, Member

Office Staff

Mike Mandere, CED
Ann Holbrook, CPT
Fred Hendrickson, PT
Bonnie Riebold, PT
Kathy Carothers, PT
Doreen Riedner, PT
Nancy Doege, PT
Jonelle Olson, PT
Wes Taylor, PT

Farm Loan Manager

Steve King
(509) 924-7350

Important Dates

September 4 – Labor Day,
Office Closed

September 30 – NAP Sales
Closing Date for Perennial
Forage Crops

October 2 – First Day of 2007
DCP Signup

October 9 – Columbus Day,
Office Closed

Get Your Payments Timely & Accurately

Changes in your Bank Account
or has your Bank merged or
changed names?

Don't Forget – Update your
Direct Deposit Form.

USDA Avg Price Received by
Farmer's for 2006 Wheat: **\$4.20**



2007 DCP Signup Begins October 2

The county office will be taking Direct and Counter-Cyclical Program (DCP) signup from October 2, 2006 – June 1, 2007. Congress created DCP as part of the 2002 Farm Bill to provide producers with an income safety net in the form of annual direct payments. The counter-cyclical payments add an additional safety net during depressed market conditions. Eligible crops include: wheat, barley, oats, corn, grain sorghum, soybeans, rice, canola, crambe, flax, mustard, rapeseed, safflower, sesame, and sunflowers. DCP Contracts are signed on an annual basis and late filed fees are assessed after June 1. Erosion and weeds are required to be controlled on DCP acreage. Wild rice and fruits and vegetables, with certain exceptions, are restricted from DCP acreage. Producers have the option of selecting the month in which to receive DCP Direct advance payments beginning with December. Advance payments have changed for 2007. **On February 8, 2006, the President signed the Agricultural Reconciliation Act of 2005 into law which provides for modifications to the DCP direct advance payment percentages for FY's 2006 and 2007. Advances authorized under the Act have been lowered to 22% of the Direct Payment Rate for 2007.** The final 78% will be paid in October 2007. Payment rates for Direct Payments are established under the 2002 Act and are issued regardless of market prices. Direct payment rates are as follows:

Wheat \$0.52 per bu.	Barley \$0.24 per bu.
Oilseeds \$0.80 per cwt.	Oats \$0.024 per bu.
Corn \$0.28 per bu.	

Producers are also eligible for Counter-Cyclical Payments, but these payments are only issued if effective prices are less than the target price set in the 2002 Farm Bill. The effective price is equal to the higher of the National Average Loan Rate or National Average Market Price received by farmers, plus the direct payment rate. Target prices are as follows:

2004-07

Wheat \$3.92	Barley \$2.24
Oats \$1.44	Corn \$2.63

Note: there are no Counter-Cyclical Payments on Minor Oilseeds.

Under the 2002 Act, Target Prices increase for crop years 2004-07 but National Average Loan Rates will decrease. Beginning in October producers will enroll in the 2007 DCP. The **2006** Counter-Cyclical Payment schedule is October 2006 – first advance, February 2007 – second advance, and July 2007 – Final Payment.

2006 Counter-Cyclical Payments to Be Announced

On October 12, 2006 USDA will announce the monthly World Agricultural Supply and Demand Estimates (WASDE). The Secretary will use the projections from this report to determine whether to authorize FSA to issue advance Counter-Cyclical payments on 2006 DCP contracts. This fall you may be dealing with 2 years worth of DCP contracts. 1) As mentioned above, Advance Counter-Cyclical payments may be issued on **2006** DCP contracts and 2) producers can begin enrolling in **2007** DCP contracts beginning October 2.

October is Payment Month

The month of October is a busy month at the County Office with payments being issued. CRP annual rental payments will be made during the month as well as 2006 Final DCP Direct Payments. As mentioned in the previous article, there is a possibility that 2006 DCP Counter-Cyclical advance payments may also be issued. In addition, we continue to process and pay Marketing Assistance Loans and LDP's. As of this writing, LDP's are available on Dry Peas, and Lentils. Please always check with us on LDP availability before selling your commodities, we hate to see anyone miss out on these very important payments. **Because it is such a busy time we appreciate the courtesy of calling ahead to schedule an appointment to handle signups, submitting cost share documents, or making changes to farm records.**

2005 DCP Counter-Cyclical Payments

On July 21, 2006 USDA announced the DCP Counter-Cyclical (CC) final payments for the 2005 crop year. Advance payments were issued in October 2005 and February

2006 for Barley. No advances or final Counter Cyclical payments were made for wheat and oats. Final 2005 Counter Cyclical payment rates for wheat and oats are zero because their effective price exceeds their respective target prices. Barley is entitled to a final 2005 CC payment because the effective price is below the target price. The effective price equals the direct payment rates, plus the higher of the national average loan rate or the national average farm price. The following table shows the final 2005 CCC payment rates for wheat, barley, and oats.

Item	Wheat	Barley	Oats
	Dollars Per Bushel		
Target Price	3.92	2.24	1.440
National Average Loan Rate	2.75	1.85	1.330
National Average Farm Price	3.42	1.87	1.630
Higher of Loan Rate or Farm Price	3.42	1.87	1.630
Direct Payment Rate	0.52	0.24	0.024
Effective Price	3.94	2.11	1.654
Final CC Payment Rate (Target Price Minus Effective Price)	-0.02	0.13	-0.214
First Partial Payment Rate	0.0000	0.0525	0.0000
Second Partial Payment Rate	0.0000	0.0525	0.0000
Final CC Payment Rate Less 1 st and 2 nd Partial Payment Rates	0	0.025	0

CRP REX Extension Notifications

Producers that have been offered 2 to 5 year extensions under the REX process that have passed their field inspection will be receiving a CRP-1F in the mail. Please sign this extension form and return it to our office as soon as possible to expedite approval of your extension. We tried to identify operators who have power-of-attorney for their owners and the extension forms were sent, as much as possible, to the operators. Re-enrolled contracts that will receive new 10-year contracts will have forms sent at a later date. NRCS is in the process of completing new conservation plans for the REX re-enrollments. The first round of field inspections are nearly all completed. Follow-up inspections for contracts that didn't pass the initial inspection will begin in the next few weeks as the fire danger diminishes and as spraying and/or mowing is completed.

Farm Records Changes

Changes in leases, ownerships, or reorganizations of farm entities should be updated in our office as soon as they are known. Changes for the 2006 crop year must be completed by September 30, 2006. The 2007 crop year will begin October 1, 2007. Please notify us of any changes to your records so this can be completed prior to signup. Signup begins October 2, 2006.

NAP Sales Closing Date – Perennial Forage Crops

Producers of perennial forage crops such as alfalfa and grass hay can purchase NAP coverage through FSA. The sales closing date for 2007 crop is September 30, 2006. To be eligible for NAP benefits, production loss must be attributed to adverse weather conditions. Losses must be reported to FSA within 15 days after the adverse weather event or when the loss becomes evident. Producers pay an application fee of \$100 per crop with a \$300 cap per county. The maximum for multiple crops in more than one county is \$900. In return, you receive a payment if all eligibility requirements have been met and the crop suffers greater than a 50% production loss for weather related damages

Whitman County 2006 Crop Loan Rates Loans disbursed in September 2006 will mature June 30, 2007. August CCC Interest Rate 6.25%		
SWW: \$2.90 per bu HRS & HWS: \$3.15 per bu HRW & HWW: \$3.18 per bu	BLY: \$2.07 per bu (\$86 per ton) Oats: \$1.28 per bu Canola: \$7.32 per cwt.	DPEAS: \$6.63 per cwt LENTILS: \$12.76 per cwt S. Chickpeas \$7.43/cwt.